

Ferrari Consent Order Q&A

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Q1: Did NHTSA execute this fine and consent order because of the July 2014 query from Senators Markey and Blumenthal?

In a July 2014 letter, Senators Markey and Blumenthal brought to the agency's attention that Ferrari had never reported a death or injury claim through EWR. NHTSA followed up on this claim and determined not only that Ferrari failed to report three death incidents, but also that it failed to file comprehensive EWR reports for the last three years. In addition to the three death incidents, the information Ferrari failed to report includes aggregate data on property damage claims, consumer complaints, warranty claims, and field reports, and copies of field reports.

Q2: Would NHTSA have eventually moved forward with these actions on its own accord?

As it did here, when NHTSA becomes aware of noncompliance with the EWR requirements based on its own examination of data or from other sources, the agency takes action to enforce the requirements and pursue civil penalties as appropriate.

Q3: Why didn't NHTSA catch this sooner?

NHTSA monitors information obtained in defect investigations for indications that manufacturers are not complying with EWR reporting requirements. Ferrari's sales in the U.S. are so small that in most years, it was plausible that Ferrari would have no death claims alleging a vehicle defect as the cause. In addition, until Fiat (which includes Ferrari since 2011) acquired Chrysler, Ferrari qualified as a small volume manufacturer and was not required to file quarterly EWR reports.

Q4: Is this the first time NHTSA has fined a manufacturer for EWR data errors? If not, what are the other occurrences?

No. In 2013, Prevost agreed to pay a civil penalty of \$1,500,000 for a number of violations of the Safety Act and regulations, including failure to submit EWR reports. In 2009, Piaggio agreed to pay a \$100,000 civil penalty for, among other violations, its failure to submit EWR reports.

Q5: The news release states, "...the Consent Order requires the automaker to improve its processes for EWR reporting." What does "improve its processes" entail?

The agency is requiring Ferrari to develop written procedures for EWR reporting and to train personnel on those procedures. Ferrari must meet with the agency to discuss its written procedures and must revise them to address any feedback from the agency.

Q6: How does NHTSA evaluate and ensure manufacturers are complying with EWR reporting requirements?

EWR data is reviewed and analyzed to determine if potential defect trends exist. This analysis will reveal changes or discrepancies in reporting. NHTSA also monitors information obtained in defect investigations for indications that manufacturers are not complying with EWR reporting requirements. If review of EWR data or consumer complaint or manufacturer information obtained in a defect

investigation raises concerns about EWR reporting, NHTSA will contact the manufacturer either by telephone, email or letter. These communications advise the recipients of their reporting obligations and the potential for civil penalties for non-compliance.

In the case of new manufacturers, NHTSA monitors the issuance of World Manufacturer Identification (WMI) numbers by the Society of Automotive Engineers (SAE) which enable states to identify vehicles for the purpose of issuing titles. If a manufacturer has obtained a WMI number, but has not submitted early warning reporting information to NHTSA, NHTSA sends a letter to the manufacturer reminding it of its reporting obligations and the potential for civil penalties for non-compliance.